What is the **MAGNUSON MOSS WARRANTY ACT** and How Does it Impact You?

What the Act Requires

The Magnuson Moss Warranty Act is a consumer protection law enforced by the Federal Trade Commission. The Federal Act requires warranties to be written in clear and easy-to-understand language and terms. The Act requires that a written warranty include:

- Who is covered by the warranty
- A clear description and identity of what is covered
- Responsibilities of the warrantor and the consumer, including where and how repairs and maintenance can be performed
- Warranty expiration
- Ways to handle disputes with the warrantor

Please note, the Magnuson Moss Warranty Act does not require a business to provide a written warranty. If a business decides to offer a written warranty on a consumer product, it must comply with the Act.

What the Act Prohibits

There are three prohibitions under the Magnuson Moss Warranty Act:

- Disclaimer or Modification of Implied Warranties
- "Tie-in Sales" Provisions
- Deceptive or Misleading Warranty Terms

DISCLAIMER OR MODIFICATION OF IMPLIED WARRANTIES

Implied warranties are unspoken, unwritten promises from a seller/merchant/warrantor to a customer. Implied warranties are the warrantor's promise that the products/goods sold will function in the way intended and that there is nothing significantly wrong with them. It is also a promise that the product can be used for a specific purpose. The Act prohibits anyone who offers a written warranty from disclaiming or modifying implied warranties. So, if the product does not work as intended or is not fit for a specific purpose, the warrantor must remedy the problem or the warranty is breached.

"TIE-IN SALES" PROVISIONS

Provisions that state or imply that a consumer must buy or use an item or service from a particular company to keep the warranty coverage, such as being required to use original equipment manufacturer (OEM) parts.

DECEPTIVE WARRANTY TERMS

Warranties must not contain deceptive or misleading terms. A warranty cannot appear to provide coverage when it actually doesn't. Additionally, a warranty cannot promise a service that the warrantor had no intention of providing or could not provide. These are examples of deceptive warranty terms.

For more information on the Act, visit the Federal Trade Commission's <u>website</u> and view the Car Care Council's <u>video</u>.



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